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October 29, 2007

Marlene H. Dortch Secretary Federal Communications Commission Wireline Competition Bureau - CDP - 214 Appls. P.O. Box 358145 Pittsburgh, PA 15251-5145

Re:

Application for TelAlaska, Incorporated, Mukluk Telephone Company, Inc., Interior Telephone Company, Inc. and TelAlaska Holdings, Inc. for Authority to Transfer Control of Domestic 214 Authorizations

Dear Ms. Dortch:

On behalf of TelAlaska, Incorporated, Mukluk Telephone Company, Inc., Interior Telephone Company, Inc. and TelAlaska Holdings, Inc. (together, "Applicants"), enclosed please find an original and six (6) copies of an application for consent to transfer control of domestic 214 authority from TelAlaska, Incorporated, Mukluk Telephone Company, Inc., and Interior Telephone Company, Inc. to TelAlaska Holdings, Inc. Also enclosed find a completed Fee Remittance Form 159 to satisfy the filing fee for this application under the Commission's Rules.

Please date-stamp the duplicate copy of this filing that is enclosed and return it in the envelope provided. Please contact the undersigned directly with any questions.

Respectfully submitted,

# Before the FEDERAL COMMUNICATIONS COMMISSION Washington, D.C. 20554

| In the Matter of the Application of            | )                  |
|--|--------------------|
| TelAlaska, Incorporated                        | ) WB Docket No. 07 |
| Transferor                                     | )                  |
| Mukluk Telephone Company, Inc.,                | )                  |
| and Interior Telephone Company, Inc.           | )                  |
| Licensees                                      | )                  |
|  | )                  |
| and  | )                  |
| •  | . )                |
| TelAlaska Holdings, Inc.                       | )                  |
| Transferee                                     | ý                  |
| <b>y</b>                                       | ý                  |
| For Grant of Authority Pursuant to             | ý                  |
| Section 214 of the Communications Act of 1934, | ý                  |
| as amended, and Sections 63.04 and 63.24       | ý                  |
| of the Commission's Rules to Complete a        | ý                  |
| Transfer of Control of Authorized              | )                  |
| Domestic Section 214 Carriers                  | í                  |
| Domestic Section 214 Carriers                  | ,                  |

## **APPLICATION**

# I. <u>INTRODUCTION</u>

# **Summary of Transaction**

TelAlaska Holdings, Inc., ("TelAlaska Holdings") a newly formed holding company, and TelAlaska, Incorporated ("TelAlaska") and its wholly-owned subsidiaries, Mukluk Telephone Company, Inc. ("Mukluk"), and Interior Telephone Company, Inc. ("Interior") (collectively "Transferors") (TelAlaska Holdings and Transferors are collectively "Applicants"), through their undersigned counsel and pursuant to Section 214 of the Communications Act, as amended, 47 U.S.C. § 214, and Sections 63.04 and 63.24 of the Commission's Rules, 47 C.F.R. §§ 63.04,

63.24, hereby respectfully request the Federal Communications Commission's (the "Commission") approval to consummate a transaction whereby TelAlaska Holdings will acquire all of TelAlaska's stock.

TelAlaska Holdings is a fully owned subsidiary of ABAC Alaska, Inc. ("ABAC Alaska"), which in turn is a fully owned subsidiary of American Broadband Communications, LLC ("American Broadband"), a company focused on providing telephone, broadband Internet, video and other advanced communications services in rural areas of the United States, and currently with ownership interests in fourteen rural telephone companies. TelAlaska Holdings and ABAC Alaska have been created in order to facilitate a transaction (the "Transaction") whereby TelAlaska will become a fully owned subsidiary of TelAlaska Holdings. Neither TelAlaska Holdings nor ABAC Alaska have conducted any business operations other than those related to its formation and to this Transaction.

TelAlaska does not hold any certifications, but it is the parent company to several certificated public utilities in Alaska, including Mukluk and Interior. The proposed Transaction will not result in any assignment of authorizations, assets or customers of the Transferors and the Transferors will continue to provide service to its customers pursuant to their existing authorizations at the same rates, terms and conditions such that the Transaction will be virtually transparent to their customers. As a result of the Transaction, the Transferors will receive the benefit from the combined expertise of TelAlaska Holding's management and operational personnel and can achieve economies of scale that will enable them to compete more effectively. Attached hereto as *Exhibit A* are organizational diagrams that illustrate the current corporate structure of TelAlaska, and the structure of TelAlaska that will exist following consummation of the proposed Transaction.

# II. <u>INFORMATION IN SUPPORT OF THE TRANSACTION</u>

Pursuant to Section 63.04(a) of the Commission's rules, the Applicants provide the following information in support of this transaction:

# (1) Applicant's Name, Address and Telephone Number

Transferors: TelAlaska, Incorporated (FRN: 0003740768)

201 E. 56<sup>th</sup> Avenue

Anchorage, Alaska 99518

Telephone:

(907) 563-2003

Facsimile:

(907) 565-5539

## Mukluk Telephone Company, Inc. (FRN: 0003739554)

201 E. 56<sup>th</sup> Avenue

Anchorage, Alaska 99518

Telephone:

(907) 563-2003

Facsimile:

(907) 565-5539

# Interior Telephone Company, Inc. (FRN: 0003739521)

201 E. 56<sup>th</sup> Avenue

Anchorage, Alaska 99518

Telephone:

(907) 563-2003

Facsimile:

(907) 565-5539

#### Transferee: TelAlaska H

TelAlaska Holdings, Inc. (FRN: 0017041989)

401 N. Tryon Street, 10<sup>th</sup> Floor

Charlotte, NC 28202

Telephone:

(704) 358-0900

Facsimile:

(888) 698-7975

### (2) State of Organization

- (a) TelAlaska, Incorporated and its subsidiaries, Mukluk and Interior, are corporations formed under the laws of Alaska.
- (b) TelAlaska Holdings, Inc. is a corporation formed under the laws of Delaware.

#### (3) Contact Information

All correspondence, notices and inquiries regarding this transaction should be addressed to:

Transferors: Jack H Rhyner

201 E. 56<sup>th</sup> Avenue

Anchorage, Alaska 99518

Tel: (907) 563-2003

Email: j\_rhyner@telalaska.com

Transferees: Patrick L. Eudy

President and Chief Executive Officer

American Broadband Communications, LLC

401 N. Tryon Street, 10<sup>th</sup> Floor

Charlotte, NC 28202 Tel: (704) 358-0900

Email: eudy@americanbb.com

# Copies of all correspondence, notices, and inquiries should also be addressed to:

Thomas H. O'Donnell Moore & Van Allen PLLC 100 N. Tryon Street, Suite 4700

Charlotte, NC 28202-4003

Tel: (704) 331-3542 Fax: (704) 339-5842

Email: tomodonnell@mvalaw.com

Heather H. Grahame Dorsey & Whitney LLP 1031 West 4<sup>th</sup> Avenue, Suite 600 Anchorage, AK 99501

Tel: (907) 276-4557 Fax: (907) 2764152

Email: grahame.heather@dorsey.com

# (4) Ten percent (10%) Equity Shareholders:

#### TRANSFERORS:

| <u>Shareholder</u>                            | % Equity | <u>Citizenship</u> | Principal Business |
|---|----------|--------------------|--------------------|
| TelAlaska Profit Sharing<br>Savings Plan      | 38%      | USA                | Pension Fund       |
| 201 E. 56th Avenue<br>Anchorage, Alaska 99518 |          |                    | Telecommunications |
| Century Tel of the<br>Northwest, Inc.         | 34.2%    | USA                | Telecommunications |
| 100 CenturyTel Drive<br>Monroe, LA 71203      |          |                    |                    |

| <u>Shareholder</u>  | % Equity | Citizenship | Principal Business |
|---|----------|-------------|--------------------|
| Jack H Rhyner,<br>Individually<br>13146 Beech Circle<br>Anchorage, Alaska 99515 | 9.7%     | USA         | Telecommunications |
| Jack H Rhyner & Donna J Rhyner 13146 Beech Circle Anchorage, Alaska 99515       | 9.7%     | USA         | Telecommunications |

#### TRANSFEREE:

| <u>Shareholder</u>  | % Equity | Citizenship | Principal Business |
|---|----------|-------------|--------------------|
| Patrick L. Eudy<br>401 N. Tryon Street<br>10 <sup>th</sup> Floor<br>Charlotte, NC 28202 | 95.12%   | USA         | Telecommunications |

# (5) Certification Pursuant to Rules 1.2001-1.2003

Applicants hereby certify, pursuant to 47 CFR §§ 1.2001-1.2003, that to the best of their knowledge, information, and belief, no party to the Application is subject to denial of federal benefits pursuant to section 5301 of the Anti-Drug Abuse Act of 1988, 21 U.S.C. § 862.

### (6) Description of the Transaction

Applicants request authority for the transfer of control of Transferors to TelAlaska Holdings. Pursuant to the Transaction, TelAlaska's stockholders will sell and TelAlaska Holdings will acquire 100% of the shares of TelAlaska, the parent company of Interior and Mukluk. As such Interior and Mukluk will be wholly-owned subsidiaries of TelAlaska Holdings. Following the consummation of the proposed transaction, Interior and Mukluk will continue to offer service to their existing customers with no change to their rates or terms and conditions of service. The transfer of control of the Transferors to TelAlaska Holdings, therefore, will be seamless and virtually transparent to consumers.

American Broadband Holding Company ("ABHC") is a wholly-owned subsidiary of American Broadband. ABAC Alaska and ABHC are currently sister companies. However, upon the closing of this acquisition, American Broadband will contribute the stock of ABAC Alaska to ABHC, whereupon ABAC Alaska will become a wholly-owned subsidiary of ABHC. Attached as *Exhibit B* for the Commission's convenience are pre-and post-Transaction organization charts of American Broadband.

# (7) Geographic Description

The affiliates of TelAlaska Holdings, Inc., and the geographic areas in which they are certificated to provide local exchange telecommunications services, are as follows: Arlington Telephone Company is authorized to provide telecommunications services in NE; Dalton Telephone Company is authorized to provide telecommunications services in NE; Elsie Communications, Inc. is authorized to provide telecommunications services in NE; Eastern Nebraska Telephone Company is authorized to provide telecommunications services in NE; Georgetown Telephone Company is authorized to provide telecommunications services in MS; Gridley Telephone Company is authorized to provide telecommunications services in IL; Oregon Farmers Mutual Telephone Company is authorized to provide telecommunications services in MO; The Pymatuning Independent Telephone Company is authorized to provide telecommunications services in PA; Rock County Telephone Company is authorized to provide telecommunications services in NE; S&A Telephone Company is authorized to provide telecommunications services in KS; South Park LLC is authorized to provide telecommunications services in CO; The Blair Telephone Company is authorized to provide telecommunications services in NE; The Rye Telephone Company is authorized to provide

telecommunications services in CO; and Waverly Hall Telephone, LLC is authorized to provide telecommunications services in GA.

Interior Telephone Company, Inc. provides local exchange telephone service to eleven Alaska rural communities including Unalaska/Dutch Harbor, Cold Bay, Seward, King Cove, Sand Point, Iliamna/Newhalen, Moose Pass, Port Lions, Cooper Landing, Fort Yukon, and Galena. Mukluk Telephone Company, Inc. provides local exchange telephone service to fourteen Alaska rural communities in the Bering Strait Region including Elim, Koyuk, Little Diomede, Golovin, Shishmaref, Shaktoolik, Council, Stebbins, St. Michael, Teller/Brevig Mission, White Mountain, Nome and Wales. TelAlaska Long Distance, Inc. is an affiliate of the Transferors and provides interexchange telecommunications services throughout Alaska.

## (8) Request for Streamlined Treatment

Applicants respectfully submit that this Application is eligible for streamlined processing pursuant to Sections 63.03(b)(2)(iii), 47 C.F.R. §§ 63.03(b)(2)(iii). Immediately following the transactions, (1) Applicants and their affiliates, as defined in Section 3(1) of the Communications Act ("Affiliates") combined will hold less than a ten percent (10%) share of the interstate, interexchange market; (2) Transferee, and its affiliates, would not provide any telecommunications services in any of the geographic areas served by Mukluk or Interior; and (3) the Applicants are incumbent independent local exchange carriers that have, in combination, fewer than two percent of the nation's subscriber lines installed in the aggregate nationwide, and no overlapping or adjacent service areas.

# (9) Other Related Applications Before the Commission

TelAlaska and TelAlaska Holdings have also filed a separate application for authority to transfer International and Domestic Section 214 authority from TelAlaska Long Distance, Inc. to

TelAlaska Holdings. TelAlaska Long Distance is the only subsidiary of TelAlaska that holds an international 214 authorization from the Commission.

- (10) Statement of Imminent Business Failure

  Not applicable.
- (11) Separately Filed Waiver Requests

  None.

# (12) Public Interest Statement

Applicants submit that the Transaction will serve the public interest. By providing a management team with many years of experience in operating rural telephone companies, the transaction will strengthen the ability of the Transferors to provide its customers advanced services as well as continue to provide the quality services that it is known for. American Broadband and its subsidiaries provide operational synergies, deregulated business development, deployment resources and economies of scale to affiliates. Therefore, as a result of the transaction, Transferors will be in an enhanced position to provide high quality telecommunications services to its customers as a member of the American Broadband family of companies. American Broadband's growth orientation and experience in competitive markets, combined with its financial, strategic, and operational resources, will be especially important to TelAlaska in an increasingly competitive telecommunications environment. Moreover, Applicants emphasize that the proposed indirect transfer of control will be seamless and virtually

American Broadband, through its subsidiaries and affiliates, currently control and are responsible for the operation of the following rural telephone companies: Arlington Telephone Company; Dalton Telephone Company; Elsie Communications, Inc.; Eastern Nebraska Telephone Company; Georgetown Telephone Company; Gridley Telephone Company; Oregon Farmers Mutual Telephone Company; The Pymatuning Independent Telephone Company; Rock County Telephone Company; S&A Telephone Company; South Park LLC; The Blair Telephone Company; The Rye Telephone Company; and Waverly Hall Telephone, LLC.

transparent to the customers of the Transferors and will not result in the discontinuance, reduction, loss or impairment of service to customers.

# III. CONCLUSION

For the foregoing reasons, Applicants respectfully request that the Commission promptly grant this Application.

DORSEY & WHITNEY LLP

BY

Stefan M. Lopatkiewic

Heather H. Grahame

Karly E. Baraga

1050 Connecticut Avenue NW, Suite 1250

Washington, D.C. 20036

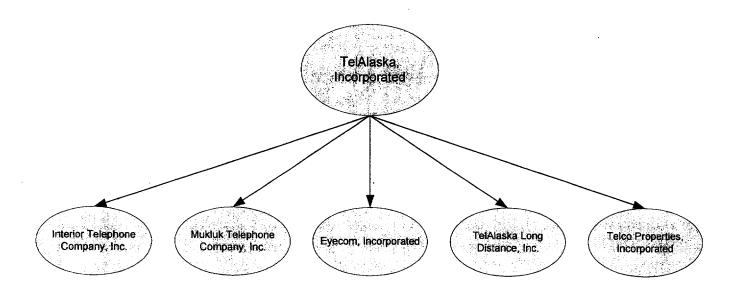
(202) 442-3553

Attorneys for the Applicants

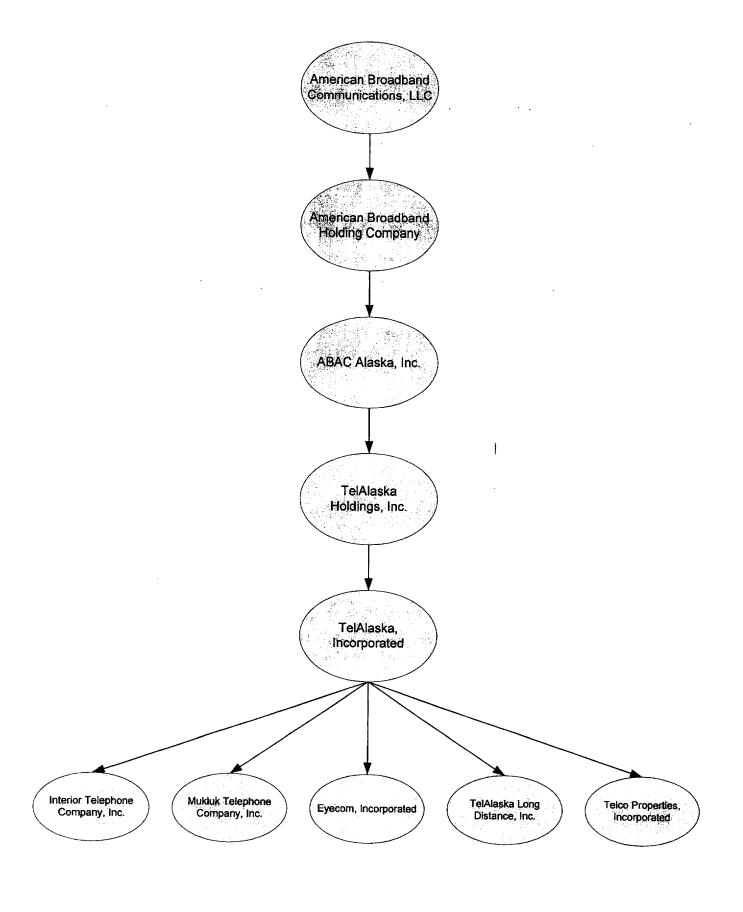
Dated: October 29, 2007

# **EXHIBIT A**

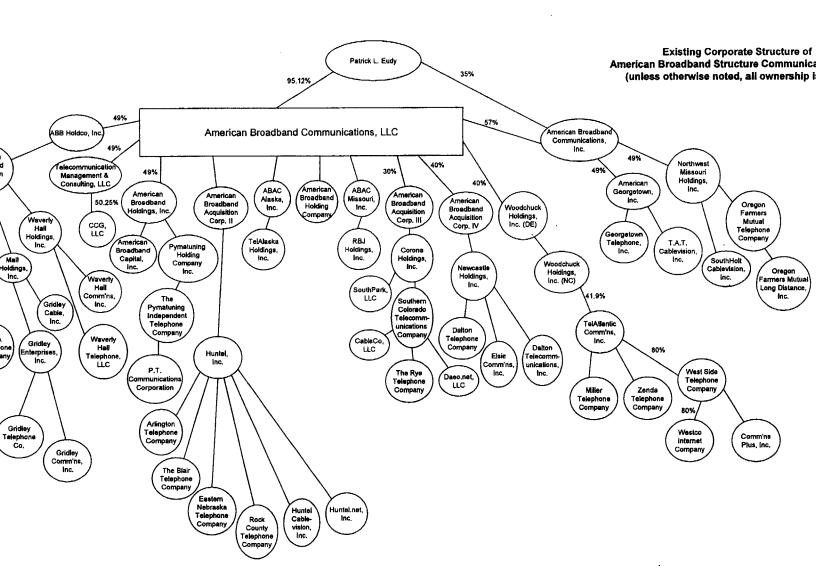
# Existing Corporate Structure of TelAlaska, Incorporated

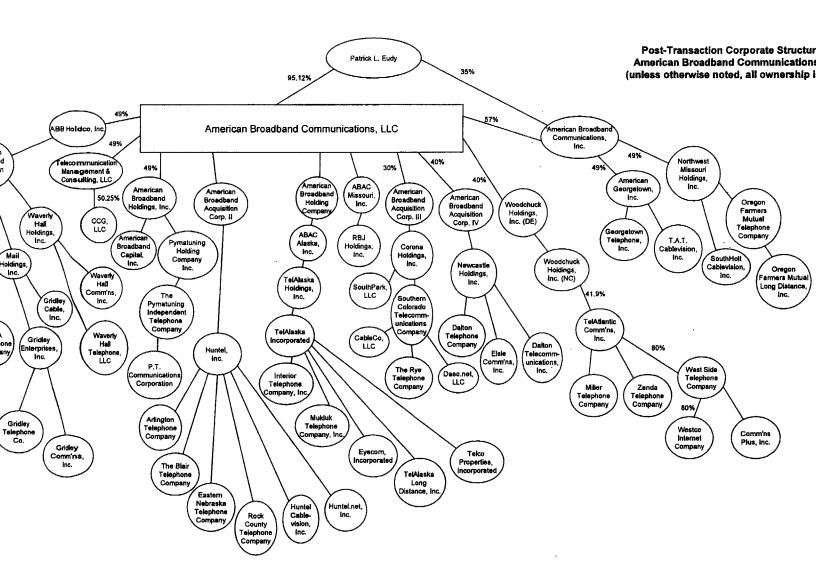


# Post-Transaction Corporate Structure of TelAlaska, Incorporated



# EXHIBIT B





# FEDERAL COMMUNICATIONS COMMISSION REMITTANCE ADVICE FORM 159

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